

HEBER CREEPER BOARD OF DIRECTORS

Minutes

February 7, 1973

The Board of Directors met at the Ashton Oil and Trans. office at 6:00 p.m. on February 7, 1973. Those present were: Wesley R. Budd, J. R. Edwards, C. H. Nielson, Dr. R. Raymond Green, Ed McLaughlin, Dennis Spendlove, Jim Ure, W. E. Sweeney, Jim Ritchie, Gordon Mendenhall, Dr. J. D. Boggess and Del Wallengren. President Lowe Ashton conducted the meeting.

Wesley R. Budd made the motion that the minutes of the previous meeting held on November 29, 1972 be approved with a spelling correction. Seconded by W. E. Sweeney. ALL APPROVE.

Ed McLaughlin gave a report on his contact with F. Morgan Coombs and Terry Johnson, owners of Bridal Veil Falls. A copy of their letter is attached. They indicate a strong desire to work with us and the outlook seems positive.

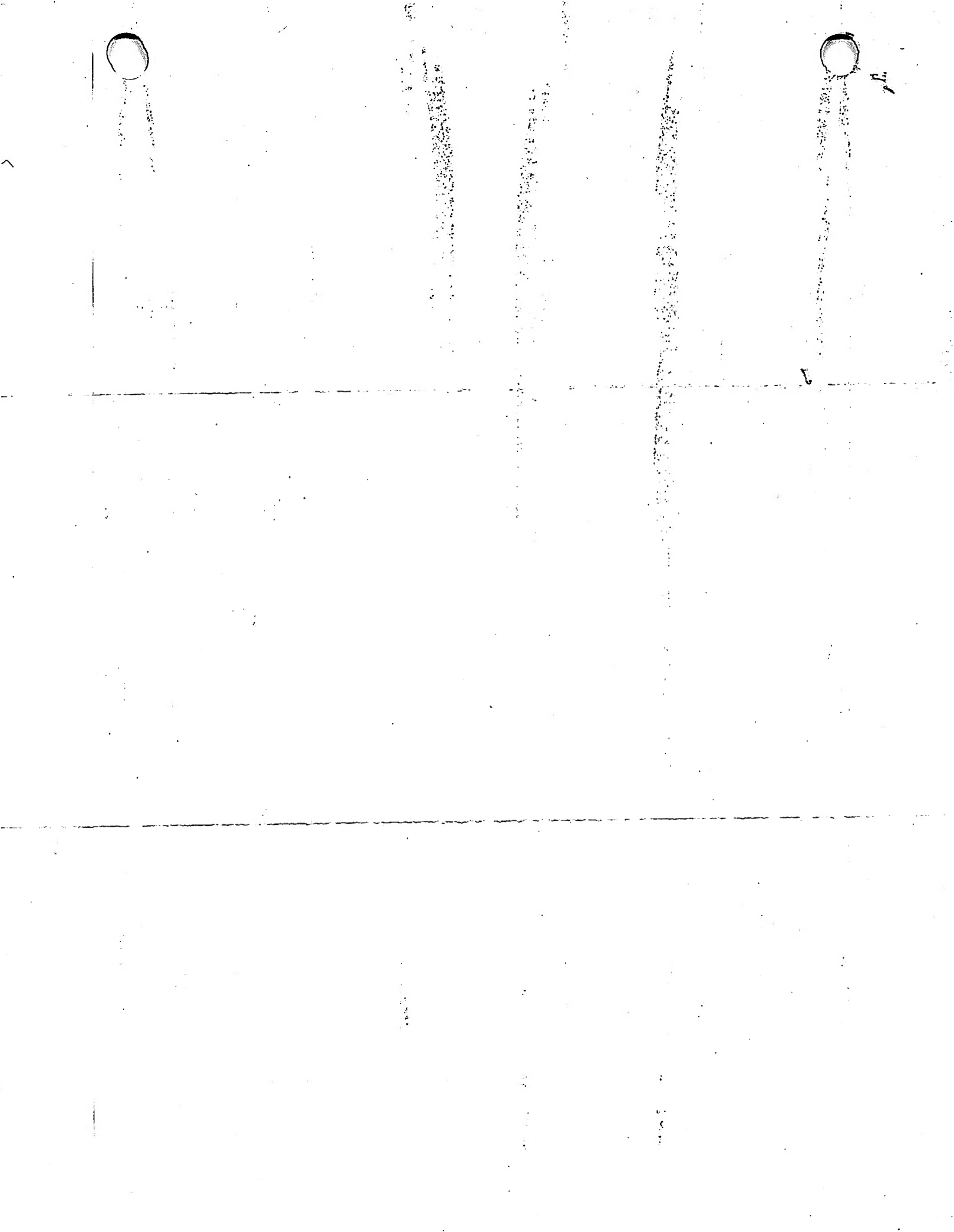
Lowe discussed the year end profit and loss plus an explanation of cash and non cash items and a partial 1973 budget was presented and discussed. A complete budget was promised.

Mr. Jim Ure of Axelsen Advertising Agency was introduced to the Board. He will be the new advertising agent. Although Jim had only just been given the Heber Creeper account, he already had many new ideas and plans. These included working with one of the local dairy's for promoting coupons for use on slow days, such as with so many coupons a child fare would be free when an adult ticket was purchased. Also, some television promotion was discussed in connection with other entities such as the Homestead and Bridal Veil Falls. This would cut the costs. He had already spoken with Mr. Bob Wilde of the Travel Council about arranging a segment of the T.V. program, American Sportsman featuring possibly Robert Redford and Kurt Goudy riding the Heber Creeper and then fishing for trout in the Provo River.

Although Jim Berry can no longer work for us officially, his position as Director of the State Travel Council has seen that the Heber Creeper is on almost everything the State puts out.

Ed along with Jim Ure and Stan Briggs are to meet with the Salt Lake Convention Bureau to possibly arrange some charters with convention groups.

Lowe has talked with another stock lawyer about the feasibility of going public. However, they stated that the market was unfavorable at the present time for new issues, but it should be better at the end of the year. Another alternative would be to sell limited partnerships. This appeals to professional people in the higher tax brackets. It gives them a good tax write off if they need it plus an investment. Firms are available which sell limited partnerships just as other firms sell stock. In this type of situation, the main corporation is liable and the limited partner only for the amount of his investment. The present corporation would be dissolved and then re-incorporated with the limited partners.



Del Wallengren commented that one disadvantage to this type of agreement is you are able to give the professional man the tax write off now, but when he dissolves the partnership he must declare it as income, so he actually hasn't gained anything.

However, there are professional people who use this as a means of avoiding taxes. The entire subject of selling the Company will have to be studied more.

Lowe had written a letter to LARC, the firm in Texas, with thoughts of a merger using the Olympics as the approach. When Utah lost the bid the approach fell through.

Some thought has been done on the feasibility of running track into Park City and running the train from Heber City to Park City during the winter hauling skiers. This distance is 7 air miles. This project would take a large amount of capital and would have to be in the future. However, the idea has a lot of potential.

Ed explained his new concept called the Chuckwagon Barbeque train which would serve a western style meal around a campfire. This concept is more fully explained in the attached sheet. He discussed the idea with Stan Briggs and Alan Madsen of the Homestead which both thought it was very good.

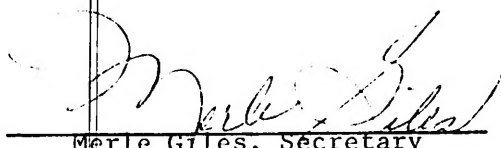
W. E. Sweeney made the motion that the annual meeting be held on April 7, 1973 at 1:00 at Lowe Ashton's home. J. R. Edwards seconded the motion. ALL APPROVE.

Dennis Spendlove gave a report on the engine house and the engines. The engine house is not completed yet. Due to the bad winter, work has been slow. However, the building is here and they are assembling the beams. Work has been progressing on the engines. The #35 is all striped down and the rods are at Geneva being straightened. The conversion of the #618 will have to be delayed. The #2 (2-6-2) has a leaky boiler and will have to be looked at more closely before any major decisions can be made. The Shay, although it looks bad on the outside, is in pretty good condition. Dennis says it will run. One of the hospital cars has been renovated into a shop and tool room.

Now that Ashton Oil has purchased a new transport, their old one can be used by the railroad to haul crude oil. However, Lowe has been told that the engines couldn't burn the crude oil because the new detergent oils hold water in suspension which would cause the fire in the firebox to go out. This matter will be checked into in more detail.

W. E. Sweeney made the motion that the meeting adjourn. The motion was passed and seconded. The meeting adjourned at 7:45 p.m.


Lowe Ashton, President


Merle Giles, Secretary



February 5, 1973

Mr. Lowe Ashton
Mr. Ed McLaughlin
Wasatch Mountain Railway
Heber City, Utah 84032

Gentlemen:

This letter is with reference to the discussions we have had with Mr. Ed McLaughlin concerning Bridal Veil Falls as a lower canyon terminal for the Heber Creeper.

As in the previous letter we again reaffirm our position and our willingness. We are endeavoring to provide ample parking and facilities to handle the anticipated business. However you must understand we cannot speak for the State Road Commission. We are now in the process of surveys and planning these facilities. We have begun the food facility project and expect to start the others as soon as weather permits. Our completion date for these projects as previously mentioned is approximately May 15th.

We would like to have your train business associated with ours. We feel stating these intentions and expectations should be sufficient evidence as to our sincerity and willingness to build an equitable situation for us both. We cannot sign contracts or promissory type agreements when some of these projects are only as good as the State Road Commission allows, particularly with reference to the location and size of parking facilities. However we are confident that we have sufficient land to accommodate the number of parking stalls you specified. We suggest that a mutual agreement must be negotiated. We furnish necessary facilities and you agree that we would be the exclusive food, gift shop, and ticket agents for the train.

Sincerely,

F. Morgan Coombs
F. Morgan Coombs
Terry Johnson
Bridal Veil Falls Corp.